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JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS
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FOREWORD

The following document was prepared by the Institute for Public Administration as part of the Washington Mass Transportation Survey, but although cited in chapter VII of the report, unlike other consultants' reports was not published due to limitations of funds. Its relevance to the joint committee's consideration of the transportation survey report and plan has prompted its publication at this time.

FREDERICK GUTHEIM,
Staff Director.

Preliminary

FINANCIAL AND ORGANIZATIONAL REPORT

Mass Transportation Survey
National Capital Region

January 1959

Prepared by
INSTITUTE OF PUBLIC ADMINISTRATION
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FINANCING AND ORGANIZING WASHINGTON REGIONAL TRANSPORTATION

Introduction

The economic and engineering studies of the transportation project have produced six conclusions of crucial importance for transportation planning in the Washington region.[1]

First, an enormous expansion of the region's economy and population is in progress. The projected population of the target date of the study, 1980, is 2.9 million. But this figure may well be exceeded before 1980. This means that the time for planning and developing a transportation system for 2.9 million persons is less than the 21 years between 1959 and 1980. For instance, if the 2.9 population figure is reached by 1975, as is entirely possible, the transportation planning and development period is only 16 years.

Second, the studies indicate a need for a large expansion of the region's highways, far beyond any level previously contemplated.

Third, if the findings of the study relating to population location, employment, and regional linkages are borne out, the region will need some form of rapid mass transit, either the rail system in subways recommended by the engineers or some alternative form, perhaps one made possible by technological progress.

Fourth, there is a close relationship between mass transportation and highway transportation.

Fifth, the development of the transportation system inevitably will shape the development of the region. It is essential, therefore, that transportation planning be closely coordinated with other planning for land use.

Sixth, the development of the transportation system to the level contemplated by the engineers' recommendations will require a heavy investment in capital facilities.

There are two main categories of problems to be solved, the economic and the organizational, and each of these problems has two main parts.

The two main parts of the economic problems are:

1. Determining how much to spend in improving the region's transportation.
2. Mobilizing the region's resources to meet the cost of transportation facilities not assumed by the Federal Government or by the Maryland or Virginia State governments.

The two main parts of the organizational problem are:

1. Defining the functions for which additional organization and authority are needed.
2. Constructing an organization to perform these functions.

[1] The region to which we refer coincides with the standard metropolitan area—District of Columbia, Montgomery and Prince Georges Counties in Maryland, Arlington and Fairfax Counties and the cities of Alexandria and Falls Church in Virginia. It does not include either Prince William or Loudon Counties.

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First Part of Economic Problem: How Much To Spend for Transportation Improvement

The plan submitted by the transit engineers calls for expenditure of some $2.5 billion [2] in the region in the next two decades. And transportation is only one of the essential social services which will be required for the region's continued expansion and economic improvement; aggregate total needs may be several times the amount required for the recommended transportation systems. What the region can spend for transportation depends partly upon what it will have to spend for the other public services that will be continuously competing for funds. It depends also upon the level of transportation services which the employers and residents of the region are willing to pay for. The decisionmaking process is complicated by the large number of governmental agencies—Federal, State, and local—concerned with financing.

MEASUREMENT OF TRANSPORTATION DEMAND

The studies of the traffic consultants have furnished projections of demand for weekday passenger transportation in 1980. Essentially, the demand of 1980 is extrapolated from the demand measured by conditions of 1948 and 1955, adjusted for changes in characteristics of the population. For instance, it is assumed that rising income and living standards will result in an increase in the amount of transportation required per resident. The increase occurs both in the average number of trips per resident per day, and an increase in the average length of trip.

The $2.5 billion investment in transportation facilities is required to meet the volume of travel projected, in a reasonably comfortable and efficient manner. In turn, the projection of demand assumes that such facilities will be provided.

Are all these facilities needed?

There is no clear answer to this question. They are obviously needed if the volume of travel demand projected by the traffic consultants is to be met.

This projection of travel demand, however, has not taken into consideration the price of travel. In effect, it assumes that the traveler's immediate cost—which determines his decision whether or not to make a given trip, and his means of travel—will have about the same weight in his decision in 1980 as it did in the base reference years, 1948 and 1955. However, if the price were higher, the effective demand might well be less.

To put the point another way, the region's decision on the physical plan presented by the engineers would clearly be different if the cost of the system were (1) five times as much as the $2.5 billion estimated, or (2) only one-fifth as much.

How would the region's development be affected by changes in the transportation plan, with less facilities for satisfying travel demand? This question also cannot be answered without specific study. The guess may be ventured, however, that population growth and job opportunities would not be greatly affected by somewhat less opportunity for movement than that afforded by the engineers' plan.

[2] Includes transit, highway, and parking facilities. Parking facilities are assumed to be self-liquidating and are not considered further in this report.

A transportation system that will move people anywhere in the region with little friction will, for instance, make it possible to live long distances from places of employment. This freedom to live anywhere in the region, regardless of place of work, is a positive value, of course. But it is a very costly value. The transportation system proposed by the engineers does afford a maximum opportunity for movement of this kind, as evidenced by the fact that trip projections show that a substantial number of people will be traveling through or around the central business district to get to their jobs. Even on the proposed mass transportation system, approximately 32 percent of the rush hour passengers would be traveling through the central business district to get to their jobs on the other side, while only 62 percent would be entering the central business district and staying there.[3]

It may well be possible for many people to arrange to live closer to their jobs—for instance, to locate their residences on the same side of the central business district as their jobs and avoid the necessity of traveling to work through or around the central business district. Careful planning could also help shape the region toward this end.

Second, increasing the supply of motor vehicle roadways will not necessarily decrease congestion; it may instead only increase the amount of travel per person in the region. This is one of the reasons for the continual circle of frustration experienced by many communities, which have found it quite impossible to eliminate congestion problems by simply expanding their roadways. Moreover, expansion of some facilities may only promote more congestion in others; for example, the expansion of arterial roadways to central business districts may only increase the congestion on downtown streets.

Past a certain point, however, the paring down of transportation facilities will inhibit population growth and employment opportunities, and perhaps impair the average productivity of the region's workers. Certainly, it may absorb an undue amount of their time in the journey to work.

THE CONTRIBUTION OF MASS TRANSPORTATION

One of the most remarkable findings of the study is that the mass transportation system contemplated, including the rapid rail transit component, will not eliminate the need for any highways whose construction is at all practicable from an engineering standpoint. Consequently the region cannot, as a practical matter, save much money on highways by building the recommended rail system. Either of the two main transit systems analyzed, rail-bus and express bus, would make it possible for more persons to travel in the peak hour, and would improve the quality of transportation for many persons who otherwise would ride in surface buses.

About 60 percent of the traffic on the proposed rail system, it is estimated, would be constituted of persons who otherwise would ride on conventional surface mass transportation, if that were the only means available. The remainder of the rail system traffic represents diversions from automobile travel; that is, persons traveling via rail transit who otherwise would use automobiles.

[3] The remaining 6 percent are intraline trips.

The need for the recommended rail system is created principally by the estimated growth of travel into and beyond the central business district from the north and northwest corridors. The volumes of peak hour transit travel in these corridors are estimated to increase, respectively, by 8,850 and 18,000 person trips between 1955 and 1980.[4] Some of this increase is due to increased employment in the central business district of about 38,000 persons, or 12 percent. The remainder is due to increased demand for travel by persons who now live close to their jobs in the center and either walk to work or ride or drive relatively short distances to work. This tendency to locate bedrooms greater distances from offices or workshops is, of course, one of the principal factors contributing to the increased demand for travel.

In the absence of the travel facilities, the changed patterns of linkages might not occur; indeed, there would be a tendency for individuals to shorten the distances between their homes and places of employment.

These are all elements which must enter into the community's decision on how much to spend for transportation improvement. The first need, therefore, is for a focal point of policymaking, which exists nowhere today.

FINANCIAL DIMENSIONS OF THE TRANSPORTATION PLAN

Estimated cost of recommended additional highway construction

The total cost of the recommended highway construction is $1,787 million, including both construction already definitely planned for the region (programed construction) and additional highways (not programed construction) which would be required to fill out the recommended plan. This figure is about 17 times the total expenditure of the past 20 years for parkways, freeways, and expressways in the area.

The consulting engineers' schedule calls for the completion of about three-fourths of the total construction by 1965. The remainder would be spread over the 15-year period during 1965–80. The recommendation that a large proportion of the highways be constructed in the first 7 years is motivated by the fact that construction in the past has lagged greatly behind the growth of the region's needs.

Roughly half of the cost of the overall plan represents construction in the District; the remaining half is divided approximately equally between the Maryland and Virginia parts of the region. Highway construction and estimates for construction in the several jurisdictions are presented in table 1.

[4] Unfortunately, there are no data for the latter part of 1958, when this is being written. Transit ridership data for 1980 used in computing these increments are totals of local and rapid transit ridership projections.

TABLE 1.—*Projected costs of recommended highway construction*

[Millions of dollars]

Location of construction	Total	
	Through 1965	Through 1980
Region	1,203	1,787
District	685	909
Maryland	276	419
Virginia	331	459

Requirement for new highway funds

The Federal Government, under the provisions of the various highway construction acts, bears 90 percent of the costs of elements of the highway program included in the Interstate Highway System, and 50 percent of the so-called A.B.C. road system. Also, it pays the entire costs of parkways constructed in national parks. Under present arrangements, the Maryland and Virginia State governments and the District pay the remainder of the costs of major highway construction, with the exception of certain street widenings and connections, which are the responsibility of local governments.

A considerable part of the highway construction costs would be met over the next 20 years by existing highway programs—Federal, State, and District. The amount which would be spent over the next 20 years under existing programs can be roughly estimated at $1 to $1.3 billion. This would leave from $500 to $800 million which existing programs would not cover, or from $25 to $40 million a year over a 20-year period.

There are, however, several problems which will have to be overcome even to carry out existing programs.

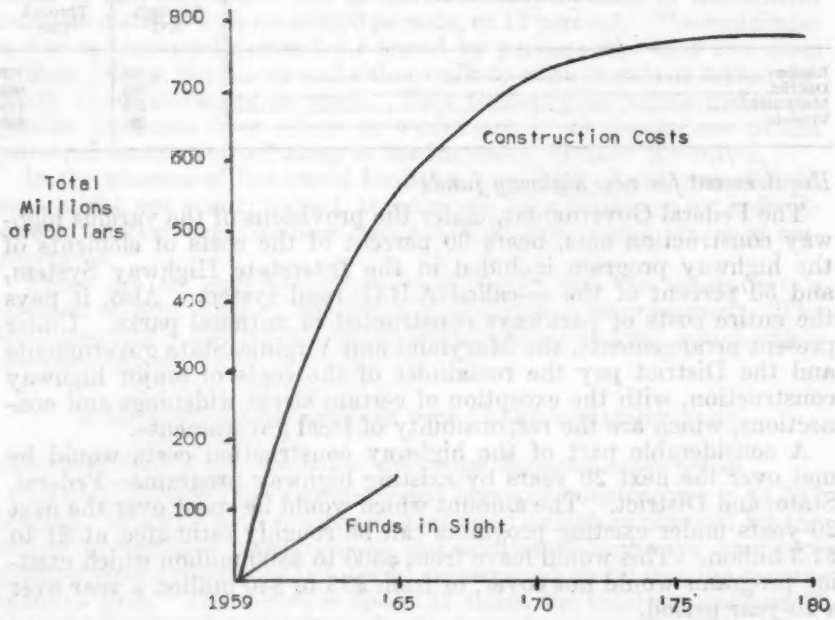
First, the engineers' cost estimates have not allowed for price increases (they were computed on the basis of 1957–58 cost levels). But the probability is that costs will continue rising; in recent years the rise has been about 5 percent per year.

Second, the two States and the District cannot carry out existing programs, including the completion of the interstate system, with existing resources. Overall, they cannot even find the funds required to match Federal contributions.

The District of Columbia has been able to maintain its current rate of expenditure on highway construction only with the assistance of a line of credit from the Federal Government, which will soon be exhausted. Unless new revenues are made available to its highway fund, the District will be unable to match the Federal-aid payments to which it is entitled. Chart 1 indicates the size of the District's financial predicament.

CHART 1

CONSTRUCTION COSTS OF FREEWAYS AND MAJOR STREETS RECOMMENDED FOR DISTRICT OF COLUMBIA AND CONSTRUCTION FUNDS NOW IN SIGHT



Maryland's road bond fund is being exhausted at a much faster rate, and will pay for many fewer miles of road than was originally contemplated.

Virginia, whose highway construction is financed on a pay-as-you-go basis, also probably will need additional revenues to match Federal aid.

In short, current sources of highway funds are failing to produce money needed for already programed construction in both States, and in the District. Any new funds will have to be devoted first to such programs.

The above facts point to one inescapable conclusion. If the residents and employers of the region want a large part of the highway network proposed by the transportation engineering consultants, and particularly if they want to follow even roughly the construction schedule recommended by the engineering consultants, they will have to put up a good share of the cost themselves. There is no prospect of getting the entire amount from either the Federal or State highway construction funds in the foreseeable future. Allowing for increased costs, as much as $1 billion might be needed to complete the required program.

Construction costs of recommended mass transit

The recommended (rail-bus) transit system developed by the transportation engineering consultants is estimated to cost $433 million for construction of facilities related to roadways; this figure does not include shops or rolling stock or other personal property. About $345 million of the total amount would be for construction in the District,

mostly for rail transit facilities, including expensive subway construction. The plan contemplates that only a small proportion of the total construction costs would be incurred through 1965; most of the expenditure prior to 1965 would be for planning and design, and land acquisition.

The all-bus plan, emphasizing express buses on radial roadways instead of rails, would cost about $89 million. The service afforded by the two alternative plans, all-bus and rail-bus, would be precisely the same until such time as the rail system was completed and ready for service. The all-bus plan is not comparable with the rail-bus system in terms of service offered along the corridors which would be served by the proposed rail system; there may be reasons, however, including the economy of construction, for preferring it.

The construction costs of the two alternative plans, and the areas in which the corresponding construction would be located, are shown in table 2.

TABLE 2.—*Construction costs of alternative transit systems*

[Millions of dollars]

Location of construction	Rail-bus system						All bus system	
	Through 1965			Through 1980				
	Rail portion	Bus portion	Total	Rail portion	Bus portion	Total	Through 1965	Through 1980
Region	37.5	26.2	63.7	402.1	31.1	433.2	26.2	88.9
District	25.9	10.8	36.7	333.3	11.7	345.0	10.8	61.0
Maryland	6.3	5.0	11.3	24.4	9.0	33.4	5.0	17.5
Virginia	5.3	10.4	15.7	44.4	10.4	54.8	10.4	10.4

The annual costs of either the proposed all-bus or rail-bus transit systems are of course much less formidable than the estimated costs of original construction. Table 3 shows annual charges and revenues of alternative transit systems. There are two assumptions concerning revenue. The first is the transportation engineering consultant's estimate of revenues, which in turn is derived from an estimate of the traffic volumes of the respective systems. The second, and less optimistic, assumption is that fares will cover only the operating costs of the respective systems, and that the balance of costs will have to be covered from nonfare sources.

TABLE 3.—*Annual charges and revenues of alternative transit systems*

[Millions of dollars]

	All-bus	Rail-bus
Maintenance and operations	[1] 34.0	[1] 37.2
Fixed charges on investment	[2] 10.5	[2] 29.0
Total	44.5	66.2
Revenues from fares:		
Assumption 1—Engineer consultant's estimate	45.3	52.1
Assumption 2—Fares cover only operating expenses	34.0	37.2
Excess or deficit:		
Assumption 1	.8	−14.1
Assumption 2	−10.5	−29.0

[1] Engineer consultant's estimate.

[2] Bonds are assumed to finance (1) construction costs; (2) yards, garages, and other fixed equipment; and (3) rolling stock. Fixed charges are computed for 4-percent 30-year bonds, except for buses, on which computation is 4-percent 10-year bonds.

The all-bus system shows a surplus over costs of $0.8 million annually computed under the first assumption, and a $10.5 million deficit under the second assumption. The rail-bus system, owing to its very high fixed costs, shows deficits ranging from $14.1 to $29.0 million. It should be remembered, however, that the rail-bus system provides a considerably higher quality of services to those who ride on rails (about 53 percent of the total) than does the all-bus system.

Combined annual carrying charges of highway and mass transit systems

Assuming that the cost to the region of building the required highway system is between $500 million and $1 billion, we can now derive some ranges of possible annual costs of both highway and mass transportation systems.

Assuming that highways were financed by 30-year 4-percent bonds, the annual carrying charges on a $500 million bond issue would be roughly $27 million, and on a $1 billion bond issue, $53 million. By adding these figures to the range of possible costs of the two forms of mass transportation, shown in table 4, we arrive at a range of annual costs for highways plus the all-bus transportation plan of $26 to $64 million; and for highways plus rail-bus, $41 to $82 million. This is the total for the complete program; carrying charges prior to the completion of construction would be less.

TABLE 4.—*Financial implications of Washington transportation study recommendations on highways and transit*

[Millions of dollars]

	All-bus	Rail-bus
Annual deficit (or surplus) of transit system:		
Assumption 1—Revenues as estimated by engineers	(0.8)	14
Assumption 2—Fares cover only operating expense	10.5	29
Annual cost to region of highway construction: [1]		
A. If total highway cost to region equals $500,000,000	27.0	27
B. If total highway cost to region equals $1,000,000,000	53.0	53
Range of total annual costs, highway plus transit:		
Low estimates	26.2	41
High estimates	63.5	82
Annual yield of potential revenue sources:		
Motor vehicle license charge averaging $50 [2]	48	
Regional motor fuel tax of 2 cents per gallon [3]	16	
50 cents daily parking charge in central business district [4]	6	
½ percent of full value of taxable real estate [5]	103	
1 percent tax on payrolls [6]	110	

[1] Annual fixed charges of highway construction computed at 4 percent interest, 30-year amortization.
[2] Increase over present State-local charges; estimated 1980 motor vehicle registration.
[3] Based on estimated 1980 fuel consumption in District.
[4] Estimated parking in 1980 with rail-bus system.
[5] 1980 projected valuation.
[6] 1980 projected payrolls.

SECOND PART OF ECONOMIC PROBLEM: MOBILIZING THE REGION'S RESOURCES TO PAY FOR TRANSPORTATION DEVELOPMENT

COSTS OF TRANSPORTATION SYSTEM COMPARED WITH MEASURES OF FISCAL CAPACITY

The total construction costs of the highway plus recommended (rail-bus) transit system come to approximately $2.3 billion, or, for the highway plus all-bus system, $1.9 billion. After deducting the construction funds which would be forthcoming from regular highway programs, there still remains to be raised some $0.95 to $1.3 billion

in new construction money for the combined program (not allowing for cost increases).

By way of throwing these figures in perspective, they should be compared with the selected data presented in table 5. Table 6 compares rail-bus construction costs with realty values. The increase in full values of taxable real estate between 1956 and 1980 is projected at $12.5 billion, and the increase in aggregate personal incomes at nearly $10 billion.

TABLE 5.—*Indicators of regional fiscal capacity with projections to 1980*

	1955	1980	Percentage increase
Population:	*Thousands*	*Thousands*	
Region	1,813	2,888	59
District	840	940	12
Maryland	556	1,153	108
Virginia	416	794	90
Employment:			
Region	793	1,030	30
District	503	581	15
Maryland	128	285	122
Virginia	162	264	63
	1956	1980	
Assessed value of real property:	*Millions*	*Millions*	
Region [1]	$3,912	$9,393	138
District	1,948	2,814	44
Maryland [1]	1,296	4,355	236
Virginia [1]	668	2,224	234
Estimated full value of taxable real estate:			
Region [1]	8,159	20,625	153
District	3,542	5,116	44
Maryland [1]	2,632	8,880	236
Virginia [1]	1,985	6,629	234
	1955	1980	
Personal income of residents:	*Millions*	*Millions*	
Region	$5,224	$15,174	190
District	1,960	3,830	95
Maryland	1,801	6,523	252
Virginia	1,463	4,821	204

[1] Real estate values computed from benefit area served directly by recommended transit system.

TABLE 6.—*Construction costs of rail-bus transit system*

Location of construction and real estate	As percentages of projected full values of taxable real estate in 1980	As percentages of projected increases in full values of taxable real estate between 1956 and 1980
District	6.7	21.9
Maryland	.4	.5
Virginia	.7	1.0
Regional average	2.1	3.5

Even more pertinent, perhaps, is the fact that the region's residents will spend, in the period 1959–80, at least $7 billion on new automobiles. Should they not consider at the same time putting up another $500 million to $1 billion to provide adequate facilities on which to operate their automobiles?

Another perspective is gained by comparing annual carrying costs of the entire transit system with the yields of various taxes which might be imposed on a regionwide basis. This comparison is presented in table 4. The highway requirements of the plan, it appears, could be financed by a special motor vehicle license charge averaging $50 a year, plus a motor vehicle fuel tax of 2 cents per gallon. The indicated deficit of the rail-bus system (pessimistic assumption) might be financed by the equivalent of a tax of approximately 1.4 mills on real estate, or approximately one-fourth of 1 percent tax on regional payrolls.

DISPARITIES BETWEEN BENEFIT AND CONSTRUCTION COSTS IN VARIOUS JURISDICTIONS

One of the greatest problems of financing a Washington regional transportation system lies in the fact that the bulk of construction costs of the recommended transportation system—highways, buses, and rails—is required for construction in the District, while the bulk of the benefit would accrue to residents and employers of the two States. For instance, 51 percent of the recommended highway construction cost, and 80 percent of the cost of the recommended rail-bus system, are for construction in the District. But 87.5 percent of the increase in the full value of real estate in the transit benefit area, and 81 percent of the projected increase in regional personal income, would accrue to the residents and firms of Maryland and Virginia. The implications of this disparity are shown in table 6. Construction costs of the rail-bus transit system alone would be equivalent to 22 percent of the total projected increases in taxable real estate values of the District, compared with figures of 0.5 percent for Maryland and 1.0 percent for Virginia.

Again, as table 7 shows, Maryland and Virginia residents would constitute approximately 58 percent of the riders on the recommended rail-bus transit system, and would account for approximately 73 percent of the miles traveled.

TABLE 7.—*1980 traffic data for "recommended" rail-bus transit system*

PERCENTAGES OF PASSENGER MILES TRAVELED BY RESIDENTS OF VARIOUS JURISDICTIONS

	Rail portion	Bus portion	Rail-bus total
District	31	23	27
Maryland	54	40	47
Virginia	15	37	26
Region	100	100	100

PERCENTAGES OF RIDERS BY JURISDICTION OF RESIDENCE

District	48.5	36.5	42.5
Maryland	37.5	27.5	32.5
Virginia	14	36	25
Region	100	100	100

ALTERNATIVE MEANS OF FINANCING

The facts presented above considerably narrow the range of choices. First, they preclude the possibility of financing a transportation system of the kind recommended on the basis of individual action by the residents of the District, the Virginia jurisdictions (two counties and two cities), and the two Maryland counties. First, the magnitudes are too great for the District residents to undertake in any event. Second, the distribution of construction costs and benefits argues against the isolated approach on grounds of equity, even if it were otherwise feasible.

There are two main possibilities:

1. Large grants from the Federal Government to meet construction costs, particularly in the District. There are substantial arguments for such grants—the Federal Government's predominance as an employer of approximately 38 percent of all the workers in the region, its vital interests in the efficient operation of Government agencies, particularly the defense agencies, and the Nation's interest in the National Capital as a shrine and a monument.

2. A system of regionwide taxes or charges, or both, which would be pooled to meet the costs of the transportation development program, with no primary concern for the physical location of construction.

These alternatives are not mutually exclusive, and some combination of both may be indicated.

With respect to the second alternative, it may be possible to make the entire regional passenger transportation system self-supporting, or nearly so, from fares, highway-user taxes (including motor fuel taxes and motor vehicle licenses), parking charges, and possibly tolls, plus a continuation of routine highway construction with Federal and State funds. The conditions for self-support, however, are not easy; they include creation of a regional transportation agency with authority to impose taxes and parking charges, and possibly other charges, on motor vehicles; integrate charges on automobiles with transit charges to bring about optimum use of each type of transportation; and exercise some measure of control, other than congestion, over the volume of motor vehicles attempting to enter the center of the city or other congested areas.

Significant transportation improvements must await the development of organization. Machinery is needed, first, for deciding how much of the transportation to build; second, for raising the necessary funds; and, third, for seeing that the construction gets done. We turn next to the problem of setting up such machinery.

First Part of Organizational Problem: Defining Organizational Requirements

If the regional transportation agency is to do a full-scale job, it will need the following organizational features. This list of requirements sets the standard against which to test any organization actually proposed.

FIVE MAIN ORGANIZATIONAL REQUIREMENTS

Flexibility

The organizational structure should be designed to be able to cope with the future uncertainties in the pattern of regional development and in the state of transportation technology, and with the successive stages of transportation development. It should be capable of introducing new techniques as soon as they appear feasible, and imaginative experimentation. It should have the ability—and the inclination—to remain up to date, a characteristic not notable in transportation agencies in the last half century.

Comprehensiveness

No finding of the transportation survey is more firmly grounded than its conclusion concerning the interaction among various forms of transportation. The effects of travel time and terminal facilities on the traveler's selection of method of travel, the consequence of the expansion of one type of facility upon the use of another, the effects on use of relative costs of different modes of travel—all support the conclusion that the transit problem, the highway problem, and the parking problem are inseparable. There are obvious corollaries for organization.

First, the management of transportation affairs must be integrated at least to the extent that common policies and objectives obtain for the entire system.

Second, the transportation agencies should have sufficient authority to insure operation of each facility with maximum effectiveness. To put it bluntly, in order to secure maximum effectiveness the transportation organization must have the power to control all major public enterprises concerned with the movement of people and goods within the area.

Third, transportation development must be coordinated with land use and economic development programs.

Responsiveness

Of all the problems abounding in metropolitan areas today, transportation is one of the most obviously public. By governing a person's ability to move quickly and easily, the transportation system affects the location of his home, his effectiveness at work, his pocketbook, and his social relations.

The plain implication of these facts is that management of transportation affairs must, by some means, be accountable to the public at large. In the Washington area, it must be accountable also to the Nation, since effective functioning of the seat of government directly depends on it.

Transportation policies and programs must therefore be subject to review by representatives of the jurisdictions concerned; there must be provision for discussion and debate; and, in the end, those responsible for directing the system must be accountable to the public for their decisions and performance.

Financial adequacy and ability to achieve equity

The most sobering of the survey findings is the cost of a system deemed adequate for future volumes of travel—$1.8 billion for highways, another $89 million or so for express bus, or another $433 million for rail-bus, all at current (1957–58) price levels. The situa-

tion of the District, which accounts for the bulk of the expenditures but receives relatively little of the benefits of expansion and transportation improvement, is especially critical.

No organizational arrangement, therefore, can fail to take into account the sizable investment program required, and the necessity of assessing costs on the basis of realistic estimates of benefits, if the system is to be viable. This requirement is perhaps the most difficult condition of all for an organization to meet because revenue sources which appear most appropriate from an economic point of view are not available under existing governmental arrangements in the area.

Feasibility

The transportation organization should be capable of early implementation, so that the potential contribution of an improved transportation system to the region's development is not irretrievably lost. This means that the plan must be based on clearly established authority, structured along familiar lines, and employing known and accepted techniques of management.

POWERS NEEDED TO FULFILL ORGANIZATIONAL REQUIREMENTS

The regional transportation organization will need the following powers to meet the organizational requirements previously discussed. The powers which it is actually given will depend, of course, upon the size of the job which is actually handed to it. But, in any case, extreme care must be taken to provide the organization with sufficient powers to carry out its assigned responsibilities; that is, the size of the job should not be out of line with the organization's power to act.

Decisionmaking

The first job of decisionmaking, we have noted, is to determine what the transportation pattern should be and how much should be spent for transportation. The civil engineering consultants have proposed plans whose total costs, measured by current price levels, would aggregate over $2 billion, a large proportion of which would have to be borne by the region's residents and employers. However, the region can get along with less transportation facilities, and correspondingly less flexibility in movement.

Planning

The development of the transportation system is one of the most important influences which will shape the development of the region at large. Transportation planning must therefore be closely integrated with land use planning generally, and with planning for other public facilities.

An efficient transportation system requires also that the various elements, including private automobile and mass transit, be assigned the roles which will produce greatest efficiency (greatest service at least cost) and greatest satisfactions for the region. The first organizational objective should be to create machinery for further systematic planning and for implementing plans.

Transportation development

Mass transportation improvements should be planned for three developmental stages.

Stage 1.—The emphasis in this stage is on improving the quality of mass transportation (1) for the sake of the captive or "transit oriented" rider, (2) to improve the competitive status of mass transportation relative to the automobile, and correlatively (3) to prevent further attrition of transit ridership and to pull marginal auto users to transit.

A continuing research program for improving bus service on existing roadways and new roadways, as they are built, should be instituted. Measures may include redesigning routes and schedules, revised fare structures designed to maximize usage, better loading and unloading facilities, revision of traffic regulations to favor mass transit vehicles over private automobiles, and so on.

Stage 2.—Emphasis in this stage is on large-scale use of express buses on radial roadways (most of which remain to be built under the recommended program), experimentation with reserved lanes for buses, and so on.

Stage 3.—This stage would see the development of rail transit, or some other form of rapid transit made possible by technological development.

Proprietary powers

All the knotty problems of positive regulation of private companies, including the usual endless arguments over fair rates of return, can be avoided by acquiring ownership of key mass transportation facilities. This does not necessarily preclude participation by private enterprise; operations can be farmed out to private companies.

Highway development

The agency would have the responsibility of raising money (if it is decided to raise money) from local sources to carry forward the highway program. Construction would be the responsibility of existing highway agencies.

Regulation

The regional transportation agency will require power to impose several types of regulation, some of which are now imposed and others which would be innovations. The extent of regulation depends on what the region's travelers, particularly private motor vehicle users, will accept in the interests of efficiency.

Mass transportation regulation is the main element in the first stage of mass transportation improvement. It may consist either of regulation of private operating companies, or it may be exerted through public ownership of facilities.

Controls over motor vehicles.—An efficient transportation system will require, at the least, regulation of the entry of vehicles into congested areas, and controls over the flow of traffic on arterial roadways.

The purposes of parking and traffic regulation are (1) to eliminate excessive traffic congestion on highways and streets, (2) to insure that the regional roadway network is used to maximum effectiveness and capacity, and (3) to insure an efficient division of the transportation load between mass transportation and private motor vehicles. In the absence of such controls, even if all the recommended highways are built, the Washington region will inevitably be choked by increasing congestion characteristic of American cities today.

Entry of vehicles into congested areas may be best controlled by (1) efficient highway design—one of the objectives is to channel traffic around the area—and (2) control over parking spaces in the congested areas. By limiting the number of parking spaces and making it costly to park at inappropriate times, the total flow of traffic in the area can be adjusted to the amount of highway and street space available to handle it.

Fundraising

The regional transportation agency must have access to funds (1) if it is decided to carry forward the recommended highway program beyond the level which would be supported by routine Federal-State programs, and (2) if it is decided to build a rail transit system. There is little likelihood that a rail system can be made fully self-supporting. Bus systems apparently have a better chance to be financially self-sufficient, with fares reasonably competitive with the out-of-pocket costs of private automobile transportation; particularly if they are not burdened with State and local taxes.

The two main potential local sources of funds are charges and taxes. Charges may include transit fares, parking charges, special fees, etc. Taxes may include highway-user levies, auto licenses, fuel taxes, and possibly other taxes, such as real estate or payroll levies.

Second Part of Organizational Problem: Constructing a Working Organization

"Ideal" characteristics and institutional realities

The five requirements outlined above, together with the powers enumerated in the preceding section, are the characteristics of an "ideal" organization. However, standing by themselves they are not an adequate basis for administering transportation affairs. The organization must consider the realities of the governmental environment in which its program is conducted, and the existing legal, political, and administrative resources on which it can draw. It must deal in large measure with the region's existing governments. It must rely on established and familiar grants of authority, be structured along tested lines, and employ accepted techniques of management.

Second, the various requirements must each be accommodated to the others, so that a workable balance is secured. To illustrate, the requirements of financial adequacy may conflict with the requirement of responsiveness—the region may simply not wish to pay for all the transportation which the planners deem necessary.

Subject to these conditions, organization for regional transportation improvement depends largely on the size of the job, as specified by the people of the region, and the Congress and State governments, which have a vital and controlling interest. To what lengths are the people of the region and their governments willing to go in providing better transportation for themselves? The controlling factors, in summary, are as follows:

1. A minimum of two levels of authority is required to undertake a program of transportation improvement: (1) authority to regulate and coordinate the operations of private transit companies, and (2) au-

thority to coordinate planning: (*a*) highway and traffic planning, and (*b*) transportation planning and other planning.

2. If it is desired to carry out the recommended highway construction on a schedule which keeps pace with regional development, additional funds, over what will be forthcoming from routine highway programs, must be provided. The only practicable sources of funds are (*a*) special Federal grants in consideration of the Federal Government's special interest in the region, and (*b*) taxes and charges which might be imposed by a regional organization.

3. An all-bus mass transportation system poses no special financial difficulties; indications are that such a system can be self-supporting or nearly so, with fares reasonably competitive with the cost of private automobile transportation.

4. A rapid rail transit system can probably not be made self-supporting, and would require revenues from nonfare sources.

ALTERNATIVE TYPES OF ORGANIZATION

For the construction and management of transportation facilities, there are three general types of organization. They are (1) private ownership and operation under a regional regulatory body, (2) a "transportation authority" in the form of a Federal corporation, and (3) a "transportation authority" in the form of an interstate compact organization with proprietary powers, and possibly with powers to impose special taxes.

These organization forms are not strictly alternatives, of course, since they have varying capacity to handle different parts of the transportation job. Their respective capacities are evaluated in the following discussion.

Privately owned and operated mass transportation under regional regulatory commission

This is the alternative contemplated in the proposal for an interstate compact setting up a regional transportation regulatory agency (Washington Metropolitan Area Transit Commission), already approved by the Virginia Legislature.

Attributes.—The main purposes of the agency would be regulation and coordination of private transit companies. The act is modeled upon the Interstate Commerce Act and the various State transportation regulation acts, and, like its models, puts primary emphasis on conventional public utility regulation of private concerns. Thus the Commission would issue certificates of public convenience and necessity; its approval would be required for establishment or abandonment of routes; tariffs would be filed with it, and changes would be approved by it. The Commission would also have some positive powers. It could require establishment of additional routes or extensions to routes, under certain conditions; prescribe just and reasonable fares, and regulations and practices relating thereto (subject to the requirement that companies earn a fair rate of return, defined as 6½ percent); and establish through routes and joint fares involving several companies.

The compact act as approved by Virginia creates a Traffic and Highway Board composed of the Chairman of the Commission, the heads of the traffic and highway departments of the three signatories and of the counties and cities within the metropolitan district (defined in

the act), and representatives of regional planning agencies. Article V, section 2, states that—

> The Board shall make recommendations to the Commission with respect to traffic engineering, including the selection and use of streets for transit routing, the requirements for transit service throughout the Metropolitan District, and related matters. The Board shall also consider problems referred to it by the Commission and shall continuously study means and methods of shortening transit travel time, formulate plans with respect thereto, and keep the Compact Commission fully advised of its plans and conclusions.

Section 3 continues:

> The Board shall serve the Commission solely in an advisory capacity * * *.

The Commission would consist of three members, the Governors of the two States and the District Commissioners each appointing one representative from the membership of the mass transit regulatory commissions of their respective jurisdictions.

Advantages.—This alternative can probably be given a high rating on feasibility, assuming that it is acceptable to the two legislatures which have still to act on it. Private companies under constructive and active Commission control probably can handle the first two stages of mass transportation improvement outlined above—improving the present system of surface transit and establishing express bus service on radial highways. There is little probability that private operators could, or would be willing to, finance the construction of a rail transit system with a price tag of some $430 million. The regulatory Commission itself would pose no financial problems; its budget would be small and financed by contributions from the signatories.

Disadvantages.—The system inevitably would leave the responsibility for initiating transit improvements largely in the hands of private operators. There is no provision for a cooperative program of transportation improvement between government and private firms—for instance, in financing experiments with special types of service, fare structures, and so on.

The problem of providing "fair" rates of return with an economically efficient fare structure would be complicated by the different situations of different companies. Moreover, the finances of the private companies would be affected by the tax policies of the three jurisdictions, over which the Commission would have no control.

No provisions of the compact act deal positively with the important issue of consolidation of transportation companies. Indeed, under the Virginia version, Virginia intrastate transportation is excluded from the purview of the act, and intrastate transportation regulation in other parts of the region is made dependent upon the affirmative vote of the Commission member from the signatory concerned.

The Commission would have no power to develop and establish an integrated system of traffic and parking controls. Some basis for cooperation would be afforded by the Traffic and Highway Board, but this Board's powers are advisory and there is no provision for systematic research on the problems of regional transportation as such.

In short, the arrangement is one of limited powers, with no assurance of effectiveness. It rates high on only one test—feasibility. It rates low on the requirements of flexibility, comprehensiveness, responsiveness to public needs and desires, and financial adequacy.

Establishment of the system would have the further disadvantages of creating a system of vested interests which might impede the

establishment of a more effective organization later on, and it would almost certainly raise public hopes and expectations that would be inevitably doomed to disappointment.

But probably the most serious disadvantage of the proposed regulatory agency is that the effort to establish such an agency might consume valuable time. As we have seen, the period for action to meet the requirements of the target date is already desperately short and is likely to be further compressed by accelerated population growth and regional development.

Interstate compact proprietary agency

Attributes.—An interstate compact agency with all the requirements of an effective regional transportation organization would require the following specific powers, in addition to the general powers listed above:

1. Ownership of mass transportation facilities;
2. Power to operate facilities or farm out operations to private firms;
3. Some measure of control of major parking facilities in the District and other congested centers;
4. Traffic control on arterial highway system;
5. Power to tax, to obtain funds for highway construction or to support a rail transit system, or both; and
6. Power to review and comment on highway construction plans, and to negotiate agreements.

In view of the Federal Government's interest in Washington transportation, the Federal Government would be justified in making a line of credit available to an interstate compact proprietary agency. This would give the agency more financial flexibility than if it were forced to rely upon private borrowing on revenue bonds.

Advantages.—The greatest advantage of the interstate compact device over the alternatives, from the viewpoint of operating powers, is the fact that it can be endowed with the power to tax. It has some appeal on the grounds that it is a creature of the State governments, and hence is more amenable to local needs and aspirations than is a Federal instrumentality. This advantage, however, may be overrated. There is no a priori reason, and little basis in experience, for believing that an interstate compact organization would by nature be more responsive than a Federal corporation. It is possible, however, to provide directly for a form of management and control of an interstate compact agency which will reflect local interests, whereas only with difficulty can such conditions be attached to the President's power to appoint the executive or board of a Federal corporation.

Disadvantages.—The chief disadvantage of an interstate compact agency lies in the time which would be required to set it up. On the average, interstate compacts have required almost 5 years to be taken through the period of negotiation and ratification. However, a compact with the powers proposed here would be more complicated than most and might require even more time.

The history of the instrument reveals that the compact has rarely been effectively used in programs that involve potential conflicts among groups and jurisdictions, where there are complicated problems of allocating costs and benefits, and where operating responsibilities impinging heavily upon the life of the community must be assigned. Compacts have rarely been successfully developed where

heavy and systematic investments of public funds are required. Of the approximately 400 compacts now in operation, fewer than 10 are concerned with urban development, and none has been granted authority on the scale required for transportation development in the Washington region. Only one interstate compact agency concerned with metropolitan affairs has been given any power to tax, and in this case—that of the New York-New Jersey Waterfront Commission—the "tax" is a nominal levy on the payrolls of the shipping companies directly benefited.

Endowing the agency with taxing power might require amendment of the Virginia Constitution; the Maryland Constitution apparently presents no problem. Further problems would be encountered in giving the management of the agency a regional slant. Since the compact organization would be in part a creature of the States, there might be a temptation on the part of State legislatures to reserve control over appointments in the hands of State officers.

Measured against the standards of organizational requirements, the interstate compact organization rates as follows:

Flexibility.—Inherently less flexible than Federal corporation, because amendment of powers requires action by three legislatures instead of one. But this relative disadvantage can be largely overcome by care in original design of organization.

Comprehensiveness.—Overall powers greater than Federal corporation because of greater inherent financial capacity. But the interstate compact agency may be inferior in certain respects, specifically controls or influence over action of Federal agencies.

Responsiveness.—A carefully designed interstate compact agency can be made immediately responsive to local interests, although there is little precedent for such a design. The ordinary interstate compact agency is probably no better in this respect than is the ordinary Federal corporation.

Financial adequacy.—The interstate compact agency can be given broad taxing powers, which enable it to do things that a Federal corporation cannot do. It may have less easy access to a Federal line of credit, although there is ample precedent for the Federal Government's extending a line of credit to such a public agency.

Feasibility.—This is, of course, the main test; past experience with interstate compact organizations holds out no bright hopes for the feasibility of setting up one equipped for such a formidable task as that of carrying through the mass transportation program.

Conclusion.—Over the long run, a properly designed and appropriately financed interstate compact proprietary agency would represent the most satisfactory solution to the organizational problem, and one most thoroughly in keeping with the objective of broadening the handling of regional affairs through local government. But given the obstacles in the way of immediate adoption of compacts with broad powers, it would probably be unwise to place sole reliance on the compact instrument. It may be regarded as the last step—rather than the first—in organizing to handle the regional transportation function.

Federal corporation

Attributes.—There is ample precedent for establishing Federal corporations to serve the national public interest, particularly where immediate Federal interests are involved.

To perform an adequate and comprehensive job, a Federal corporation would need the same general powers as those listed above for an interstate compact organization. It could not be equipped with taxing powers, however, and hence would have to rely primarily on revenues from user charges.

This could be achieved constitutionally by defining by congressional act a metropolitan transportation district and specifying those powers and duties which are inextricably intertwined with interstate movement and the operation of the District of Columbia as the seat of the National Government.

Such a Federal corporation, with a line of credit from the Federal Government, could be established to carry out the first two stages of mess transit development, involving surface transportation. It would have to be self-supporting over the long run, and hence could not undertake to build and operate a rail transit system without outside support.

Although corporation officers are appointed by the President, whose power to appoint cannot be limited unduly by legislation, a Federal corporation can be made responsive in some degree to local needs and interests. For instance, provision can be made for an advisory board made up of representatives of regional local governments. Also, there can be provision for review of the corporation's plans and activities by other regional agencies concerned with land use and development. In the existing framework these would include the National Capital Planning Commission and the Regional Planning Council.

In view of the proposal that the ultimate solution will be found through a compact, the Federal corporation should from the first be recognized as temporary and specific provisions in the act of incorporation should make provision for the transfer of functions when the interstate compact organization is created.

Federal corporations usually receive appropriations to their capital funds—equivalent to lines of credit—to enable them to carry out their designated functions. This would be of crucial importance in initiating the program of transportation improvement. The corporation would be able, with Federal credit, to undertake the first two stages of mass transportation improvement, and to carry out the construction of a rail transit system.

One of the conditions of a Federal corporation is that it be potentially self-supporting. This condition may be met by bus operations; complete self-support for a rail transit system, including amortization of investments in capital facilities, is somewhat more dubious, especially under a fare structure which would be effectively competitive with private automobile transportation.

According to the transportation engineering consultants' estimate, the rail-bus transit system would be capable of meeting operating expenses, with something left over for repayment of construction costs. At the least, it could be expected to meet operating expenses. This capacity, in our opinion, is sufficient to meet the condition of "potential self-support," which would justify a Federal corporation in undertaking to construct and operate the rail-bus mass transit system.

Such a transportation authority could be empowered to regulate traffic flows on the arterial network designated by Congress as the

Metropolitan Highway System. The objective of such regulation would be to ensure that each part of the highway system performs with maximum efficiency.

Similarly, the authority could be empowered to regulate a major portion of the supply of parking spaces within the District of Columbia as a further means of regulating highway traffic volume, and hence controlling congestion. Regulation of privately owned parking lots could be transferred from the District to the authority, which could also assume the power to set policies with respect to facilities owned by the Federal Government. The authority's jurisdiction should not extend to curb parking, particularly where accommodations are used on less than an all-day basis. However, it should work closely with the District government in setting up a coordinated system of traffic control.

In summary, a Federal "transportation authority" can be empowered to assume control over the development of existing and needed highways that are identified as part of the metropolitan arterial network; regulate tributary highway traffic; control terminal facilities, including parking accommodations, and operate related facilities and services; own and operate transit facilities and services; and contract with private companies for the operation of all or parts of the transit system.

Advantages.—The Federal corporation would require action by only one legislature, thereby avoiding the tortuous process usually involved in creating interstate compact agencies with any substantial powers. Similarly, a Federal corporation is more flexible than alternative forms, since important changes in the character of the agency can be accomplished by a simple act of Congress amending the initial legislation.

The public corporation device is well adapted to meet the administrative requirements of the transportation program. With a single act of Congress, the corporation can assume responsibility for major parts of the program. It avoids questions of legal and financial authority which existing State constitutions pose with respect to the other alternatives. It is an especially effective means of taking into account the unique character of the government of the District of Columbia and the interest of the Federal Government. Because it is a flexible and adaptable device, it can be tailored to local conditions, and charged with the responsibilities of cooperating with other agencies and governments in the area.

Disadvantages.—The Federal corporation cannot raise funds from tax sources for highway construction, or for the support of mass transportation. It is therefore less flexible financially than an interstate agency equipped with taxing power.

There is strong opposition in the region to the idea of establishing a Federal corporation, on the grounds that this would represent a further encroachment of Federal controls. Some of this opposition doubtless reflects the fact that Federal corporations are not well understood. In its proper context, a public corporation is neither a novel nor an irresponsible arrangement. It does not escape judicial purview, and thus cannot be used to restrict the constitutional authority of any American Government. Devices can be provided to make it responsible to local public opinion, more so than in the case of most interstate compact agencies, including the proposed Interstate

Compact Regulatory Commission which has no provision whatever for assuring response to local public opinion.

In summary, how does the Federal corporate "transportation authority" meet the five requirements? As follows:

Flexibility.—Most flexible of all the alternatives.

Comprehensiveness.—Limited only by lack of financial powers to raise funds for construction of highways and rail transit system.

Responsiveness.—Provision can be made for insuring as much responsiveness to public needs and desires as is likely with any alternative arrangement.

Financial adequacy.—Limited by inability to tax; but would have easier access to Federal line of credit than any alternative arrangement.

Feasibility.—Requires only congressional action.

ALTERNATIVE COURSES OF ACTION

The choice among organizational alternatives depends largely on how effective an organization is desired, and when. At every point, we are confronted by the problems arising out of the lack of a relation between costs (including sacrifice of political power) and benefits. First, there is the fact that construction costs are located largely in the District, while transportation benefits are located largely outside the District. Second, there is the fact that the political costs of an effective organizational arrangement would fall heavily upon the State interests in Richmond and Annapolis, and on congressional interests, while the benefits would accrue to the local jurisdictions of the Washington region. Third, there is the fact that part of the costs of an effective transportation system cannot be financed by user charges and hence taxes—whose relation to immediate benefits are necessarily more or less indirect—are required.

As is usual in such cases, the essential choice lies between immediate feasibility and ultimate effectiveness. The most feasible course is to do nothing at all; the next most feasible is to confine action to the proposed interstate compact regulator device. The first would contribute nothing at all, and the second only modestly, to the solution of Washington transportation problems. We must accept the fact that hard choices are inevitable.

Let us review what must be done to carry out anything approaching the recommended transportation plan, on anything approaching the recommended schedule.

1. Positive action must be taken to improve present-type surface transportation, and to establish express bus service on radial roadways as these become available.

2. Several hundred million dollars (the exact amount cannot now be determined) must be found for an accelerated highway construction program, the bulk of which should be undertaken in the next few years.

3. Plans should be laid for building a rapid rail transit or equivalent system.

4. Machinery for controlling traffic flows on arterial roadways and parking in congested areas should be established.

The nature of the problems to be solved sets definite limits on the choice of alternatives for attacking them.

1. Funds for accelerating highway construction can come only from (*a*) Federal Government special grants, in consideration of its special interests in the region, or (*b*) an interstate compact agency with taxing power. But the latter agency, if experience is a safe criterion, will require years for negotiation and legislative approval. Support for the early stages of accelerated highway construction, therefore, can come only from the Federal Government.

2. The first two stages of mass transportation improvement—improving present-type surface transportation and initiating an express bus system—can be carried out either by (*a*) private ownership and operation under a regional regulatory agency, (*b*) a Federal corporation, or (*c*) an interstate compact proprietary agency.

3. Financing the construction and operation of a rail transit system can be undertaken only by an interstate compact agency with taxing power, or by a Federal corporation with substantial financial support.

4. Power to regulate traffic and parking can be vested either in a Federal corporation or in an interstate compact agency. But such power is not granted by the interstate compact act already passed by Virginia.

CONCLUSION

Putting together the above lists of requirements and limitations, the following program emerges:

First, the Federal Government should contribute funds for the needed acceleration of highway construction, pending the time when an interstate compact agency with taxing powers can be organized to provide regional resources. This proposal contemplates that the cost of needed highway construction, over what would be met by conventional Federal and State highway programs, be shared between the Federal Government and the region's highway users. The Federal contribution would recognize the Federal Government's interests in efficient operation of the Federal agencies and the defense installations, its responsibility as the region's largest employer, and its special interests in the District, where the bulk of construction costs would be concentrated.

To carry out a construction program approaching the extent of the recommended program would require Federal grants of approximately $500 million through 1965, or approximately $70 million a year for the period 1959–65.

It should be understood that the region would pick up the rest of the highway construction bill, after 1965, and that the Federal Government would be relieved of any further obligation.

Second, negotiations should be undertaken for creating an interstate compact organization with taxing power for (1) financing the region's share of the cost of the recommended highway network, and (2) financing the construction and operation of a rail transit system. For highway construction, highway-user taxes and charges would be adequate. And if the region is willing to accept sufficiently vigorous controls and a rational system of charges for both private motor vehicles and mass transportation, the transportation system can, in our opinion, be entirely financed by benefit charges and taxes. Otherwise, some small levy on property or on payrolls for the partial support of rail transit is indicated.

Since the case for a mass transit system is not yet sufficiently clear, in our opinion, to justify a heavy investment in the immediate future (see pp. 3–8), and since large-scale construction, for technical reasons, could not begin for several years, no great harm to mass transportation would be done by the apparently inevitable delay in setting up an effective interstate compact agency with taxing powers.

Third, machinery should be set up to carry forward an immediate program of transportation improvement. There are two main needs, the first involving the initial two stages of mass transportation improvement, and the second, a system of regional traffic and parking controls. At this point, there is a choice of organizational forms, which depends in part upon the degree of effectiveness desired.

The first alternative is to follow through with the proposed interstate compact regulatory agency, in full recognition of the fact that it will be of limited effectiveness in mass transportation improvement, and of little or no effectiveness in the improvement of traffic and parking controls.

The more effective second alternative is to establish a Federal corporation endowed with the powers to control, own, and if necessary, operate mass transportation facilities, and to institute a systematic control over arterial roadway traffic and parking, particularly parking in the District. Such a corporation could also undertake the construction and operation of a rail transit system, pending the establishment of an interstate compact agency.

There should be a provision for the transfer of powers, obligations, and facilities of the Federal corporation to the proposed interstate compact proprietary agency, when and if it is established.

Linking Transportation and Other Government Functions

NEED FOR CORRELATION

The proposals in the preceding sections have been designed to promote an effective regional transportation program. Standing alone, however, they still leave unsolved the problems of relating transportation to other regional functions and to overall planning.

It is, however, not the function of the Mass Transportation Survey to present a systematic plan for organizing an overall metropolitan governmental system. We are dealing with transportation, which is, after all, but one function among many, though it is, we believe, second to none in its direct effect on urban development and the pattern of settlement.

For this very reason, whatever is done as to the transportation system, broadly defined, must be so designed and administered as to fit into any broader regional government which may utimately be set up. It should also be directly tied to such planning bodies as may be envisaged for the region as a whole.

We wish to urge one further point: Action on transportation on a regional basis, as here recommended, should not be postponed until a broader and more general metropolitan government of some form can be brought into being. Time now is of the essence. Accordingly we urge that the machinery to get going on the comprehensive transportation program should be set up immediately, and suggest that this will help make clear what further and more general metropolitan

governmental institutions are required, and how they may best be constituted.

SIGNIFICANCE OF EARLY ACTION

The National Capital region is now on the threshold of a generation of extraordinary potential expansion. At such a time, some arrangements, which will become set later on, are fluid. This is especially true of the circulation system; that is, the roadways and transportation.

Furthermore, the transportation system has a tremendous creative effect. A transportation system designed for the kind of a city we want will go a long way toward creating that city, because it will make it good business for the private investor, both in the center of town and in the suburbs, as well as in between, to make his investments in harmony with the ideal plan. If there is no regional plan and no working regional transportation and circulation layout, many investments will go to other urban areas, and those which are made in the Washington region will constitute a hodgepodge of badly sorted bedfellows. When government is ultimately faced with the necessity of doing something about transportation for such a layout, the demands will be fantastic, the costs terrific, and the end result will be nothing like the city we want.

Now is the time to act.

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